

**BL O/737/22**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF:**

**APPLICATION No. 503714 BY INVER HOUSE DISTILLERS LTD**

**FOR REVOCATION OF REGISTERED TRADE MARK (IR) No. 811128694**

**STANDING IN THE NAMES OF DESTILERIAS M.G., S.L. AND  
IMPORTACIONES Y EXPORTACIONES VARMA S.A.**

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**DECISION**

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1. The following trade mark was registered as EU Trade Mark (IR) No. 1128694 with a published acceptance date of 08 July 2014 and an International Registration designation date of 21 June 2013 for use in relation to “**Gin, namely London Dry Gin**” in Class 33 of the Nice Classification:



2. It was registered by the EUIPO in colour as a **“figurative”** mark with the category designation **“19.07.20”** under the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks (Seventh Edition) (in force from 01 January 2013). This placed it in the **“Bottles or flasks of conical shape”** subcategory of **“Category 19 Containers and Packing, Representations of Miscellaneous Products”**.
3. When the EU-wide protection conferred by EU Trade Mark (IR) No. 1128694 ceased to exist in and in relation to the United Kingdom at midnight GMT on 31 December 2020, it was immediately **“treated ... as if an application had been made, and the trade mark had been registered, under this Act in respect of the same goods or services in respect of which the international trade mark is protected in the European Union”** : paras 1(1) to (11) of Part 1 of Schedule 2B to the Trade Marks Act 1994.
4. The EU Trade Mark (IR) was in that way replaced by operation of law in the United Kingdom with a **“comparable trade mark (IR)”** to which the 1994 Act applies **“as it applies to other registered trade marks except as otherwise provided in this Schedule”** : paras 1(4) and (5) of Part 1 of Schedule 2B to the 1994 Act. The **“comparable trade mark (IR)”** in the present case is UK Trade Mark (IR) No. 811128694 (“the contested registration”) standing in the names of Destilerias M.G, S.L. and Importaciones y Exportaciones Varma S.A. (“the Proprietors”).

5. On 18 March 2021, Inver House Distillers Ltd (“the Applicant”) applied for revocation of the contested registration under s.46(1)(a) of the Act for non-use during the period 09 July 2014 to 08 July 2019 and under s.46(1)(b) of the Act for non-use during the period 17 March 2016 to 16 March 2021.
6. The application was rejected by Ms Akira Klass acting as Hearing Officer on behalf of the Registrar for the reasons she gave in a Decision issued under reference BL O/109/22 on 08 February 2022. The Applicant was ordered to pay £900. to the Proprietors in respect of their costs of the Registry proceedings.
7. The Applicant now appeals under s.76 of the Act contending that the Hearing Officer’s Decision was wrong and should be reversed on the following basis :

### **Interpretation of the Proof of Use**

The Appellant contends that the hearing officer erred in law in her approach to the question of what the use demonstrated, including her finding that an image of a 3D bottle constituted use of a figurative trade mark.

The Appellant contends that the hearing officer erred in law in her interpretation of the Proof of Use requirement that the use made by the Proprietors should be interpreted as a figurative 2D mark depicting 3D bottles. The Hearing Officer should have found that the use demonstrated was of a 3D bottle.

The Appellant contends that the hearing officer erred in law in her interpretation of the Proof of Use requirement in not considering the average consumer and whether that consumer would recognise the bottle shape used as use of a sign.

The Appellant contends that the hearing officer erred in law in her approach to the test of genuine use in finding that images of a single bottle can constitute use of the Mark which comprises a figurative mark comprising two bottles, and therefore reached the wrong conclusion on the facts of the case. The Hearing Officer has focused on the absence of descriptive words on the bottles and not considering the more

fundamental differences between the use made by the Proprietors and the Mark.

The Appellant contends that the hearing officer erred in law in her approach to the test of genuine use in finding that images of three bottles of different sizes can constitute use of the Mark which comprises a figurative mark comprising two bottles of the same size, and therefore reached the wrong conclusion on the facts of the case.

The Appellant contends that the hearing officer erred in law in her approach to the test of genuine use by not considering fully whether the sign used by the Proprietors performs an independent distinctive role in the composite trade mark and therefore can constitute use of the Mark.

### **Sufficiency of Proof of Use**

The Appellant contends that the hearing officer erred in law in giving too much weight to the evidence of an attorney based outside the UK on issues where there is little connection demonstrated between the attorney and the facts given in the witness statement.

The Appellant contends that the hearing officer erred in law in her interpretation of the test of sufficiency of genuine use by going beyond drawing reasonable and probable inferences from the evidence provided for example by concluding that because an image of various gin bottles is on a Twitter account, that this demonstrates sales of a particular product.

The Appellant contends that the hearing officer erred in law in her interpretation of the test of sufficiency of genuine use when after finding that over the five year period the figures provided are very small and sales have only been made to two outlets in the UK, she concluded that the Proprietors had demonstrated genuine use of its mark.

8. The threshold question for determination on this Appeal is: what does the graphic representation of the contested registration protect? The Hearing Officer proceeded on the following basis:

“10. I agree with the applicant’s submissions in that the proprietors’ mark should be treated as a figurative mark rather than a shape mark. This is on the basis that the proprietors’ mark was originally registered by the WIPO, as a figurative mark. This classification was maintained by the EUIPO when it accepted the request to designate the international

registration in the EU. Following the end of the completion period, the mark was automatically converted into a comparable trade mark, the details for the proprietors' mark match the corresponding IR (EU). This is inclusive of the type of mark and indicates that the mark should be interpreted as a figurative mark. While on the issue of the interpretation of the proprietors' mark and its potential impact upon the form of the mark assessment I am required to make in this decision, I note the decision of the Court of Justice of the European Union ("CJEU") in *Storck v OHIM*, Case C-25/05 P. This case demonstrates that the assessment of distinctive character for a 2D 'shape' mark is the same for the 3D shape shown in 2D. Therefore, the proprietors' mark will be interpreted as a figurative 2D mark depicting 3D bottles throughout this decision. I will say no more about the submissions by both parties on whether the proprietors' mark should be interpreted as a figurative or shape mark."

...

"20. Throughout its evidence, the proprietors have used the mark in a number of ways. These are shown below:



Example 1



Example 2



Example 3

21. The applicant submits that the proprietors' use of these examples does not constitute genuine use of the proprietors' mark. To assess whether the examples constitute use, as per *Nirvana* (cited above), I must consider what is the distinctive character of the proprietors' mark as registered, what are the differences between examples 1 to 3 and the proprietors mark as registered and whether or not those differences alter the distinctive character of the proprietors' mark.

22. The proprietors' mark, as seen on the cover page of this decision, comprises an image of two blue bottles which, in my view, will be seen as receptacles for the goods. One bottle is face on and the other is positioned to its side. The word 'MASTER'S' appears in the largest text

to the right side of the bottles, with the word 'SELECTION' presented in a smaller text below. To the left of the bottles, is the device of a lion, situated above the text 'LONDON DRY GIN'. 'DRY' appears in a smaller text and is underlined. Below the aforementioned text are a series of words that due to their sizing are unidentifiable. At the bottom of the bottles are the words 'TRIDISTILLED GIN'.

23. The distinctive character of the mark lies in the word 'MASTER'S', the lion device and the bottles. In relation to the bottles, it is my view that the sharply cut-off sides of the bottles, the raised 'fold' running vertically down the bottles, and the indented side (visible on the left-bottle) have, at least together, some distinctive character in relation to spirits. The words 'LONDON DRY GIN' and 'TRIDISTILLED GIN' are negligible to the distinctive character of the proprietors' mark as they are descriptive of the proprietors' goods. Further, I also consider that the unidentifiable text, the word 'SELECTION' and underlining of the word 'Dry' are negligible elements. The negligible elements will not contribute towards the distinctive character of the mark.

24. I will now deal with the use of the various examples, referenced above, in turn. Example 1 is a blue bottle presented face on. The word 'MASTER'S' appears in the largest text, below a lion device, and above the word 'GIN' which appears in a smaller text. Towards the bottom of the bottle are the words 'LONDON DRY GIN'. The example differs from the mark as registered in that it is a single bottle and the words 'TRIDISTILLED GIN' and 'SELECTION' are absent. On this point, I note the case of *Hyphen GmbH v EUIPO* Case T-145/15 wherein the GC clarified that where a mark is composed of a number of elements and one or more of them is not distinctive, their omission is not such as to alter the distinctive character of that mark. As referenced in paragraph 23 above, I consider that the aforementioned differences are descriptive and, therefore, negligible. It is, therefore, my view that their omission does not alter the distinctive character of the proprietors' mark. The elements that make up the distinctive character in the proprietors' mark, referred to in paragraph 23, are present in this example but have a minor difference in the arrangement. However, I do not consider that these changes alter the distinctive character of the proprietors' mark. As per the case of *Nirvana*, this is an acceptable variant of the proprietors' mark.

25. Example 2 is a blue bottle presented face on. The elements that make up the distinctive character of the proprietors' mark are all present in this example and the arrangement of the elements replicates the proprietors' mark. However, the example differs from the registered mark in that it is a single bottle, rather than two. I do not consider that these changes alter the distinctive character of the proprietors' mark. As per the case of *Nirvana*, this is an acceptable variant of the proprietors' mark.

26. Example 3 is three bottles of various sizes that are positioned to the side. This example differs from the registered mark in that there are three bottles, rather than two, and none of the bottles presented appear face on. The elements that make up the distinctive character of the proprietors' mark are all present in this example and replicate the same arrangement as the proprietors' mark. I note that one of the three bottles is a smaller version of the bottle presented on its side in the proprietors' mark. Bearing all the above in mind, I do not consider that these changes alter the distinctive character of the proprietors' mark. As per the case of *Nirvana*, this is an acceptable variant of the proprietors' mark."

9. The Applicant maintained at the hearing of the Appeal before me that the trade mark graphically represented in the contested registration was not a three-dimensional mark, but simply a “**figurative**” mark in the nature of a logo depicting two bottles. On that basis it contended that the Hearing Officer could not legitimately regard labelled bottles of Master's London Dry Gin as instances of use of the registered mark for the purpose of resisting the Applicant's claim for revocation on the ground of non-use. The Proprietors maintained that the Hearing Officer had, in effect, arrived at the correct end result by treating the sale and supply of labelled bottles of their Master's London Dry Gin as instances of genuine use of the trade mark.
  
10. In my view, it is wrong to interpret the graphic representation of the trade mark in question without reference to its Vienna Classification designation in the replicated EU Trade Mark (IR) : “**19.07.20. Bottles or flasks of conical shape**”. On taking account of that information, it is clear that the graphic representation shows a blue conical bottle with verbal and non-verbal elements applied to it. The bottle is shown from two perspectives in order to fully reveal the contours of the shape it possesses. The registration identifies and protects a unitary trade mark consisting of the totality of the design (all verbal and non-verbal aspects of the appearance) of the depicted bottle.

11. The fact that the trade mark was described in the replicated EU Trade Mark (IR) as “**figurative**” under Rule 3 of the then applicable provisions of Commission Regulation (EC) No. 2868/95 (as amended) is irrelevant for the purpose of determining whether the mark as registered depicts the physical appearance of the products it designates. In addition to the case-law discussed in Kerly’s Law of Trade Marks and Trade Names 16<sup>th</sup> Edn (2018) at paras. 10-173 to 10-175 (and Supplement) see:

- (i) Case T-547/08 X Technology Swiss GmbH v OHIM (Orange colouring of the toe of a sock) EU:T:2010:235 at paras [18] to [30], in particular para. [26]: “... **the decisive factor ... is not the classification of the sign as figurative, three-dimensional or other, but the fact that it is indistinguishable from the appearance of the product designated**” with that consideration applying “... **in addition to three-dimensional marks ... to figurative marks consisting of a two-dimensional representation of the product designated (*Storck v OHIM* and *Henkel v OHIM*) ...**”
- (ii) Case C-97/12 P Louis Vuitton Malletier v OHIM (Figurative mark representing a locking device) EU:C:2014:324 at para. [53]: “**Furthermore, the line of authority that evolved in relation to three-dimensional trade marks consisting of the appearance of the product itself also applies where the trade mark applied for is a figurative mark consisting of the two-dimensional representation of that product. In such cases, the mark likewise does not consist of a sign independent of the appearance of the products it designates ...**”

- (iii) Case C-223/18P Deichmann SE v EUIPO (Figurative mark representing a cross on the side of a sports shoe) EU:C:2019:471 at paras. [39] to [47], in particular paras. [42], [43] (with emphasis added): “... **when assessing the distinctiveness of a mark, the classification of a ‘position mark’ as a figurative or three-dimensional mark or as a specific category of marks, is irrelevant ... Such a classification is also irrelevant in assessing, as in the present case, the genuine use of such a mark.** The Court has previously held that the requirements that apply to verification of the genuine use of a mark are analogous to those concerning the acquisition by a sign of distinctive character through use (see, to that effect, ... *Societe des produits Nestle v Mondelez UK Holdings & Services*, C-84/17 P, C-85/17 P and C-95/17 P, EU:C:2018:596, paragraph 70 and the case-law cited).”
- (iv) Case T-796/16 CEDC International sp. z o.o. v EUIPO (Shape of a blade of grass in a bottle) EU:T:2020:439 at paras [103] to [134], in particular para. [108]: “**The determining factor in the light of the scope of protection of the mark is the way in which it will be perceived on the sole basis of the sign as registered ...**” and para. [120]: the “**description contains a misinterpretation of the representation because it interprets the graphic element of the line beyond what is visible by stating that that element is a blade of grass.**”

12. The Hearing Officer was, in my view, required to determine the application for revocation on the straightforward basis that the trade mark for which the Proprietors needed to provide proof of use in relation to “**Gin, namely London Dry Gin**” was the unitary trade mark I have referred to in para. [10] above depicted in lifelike form in the

graphic representation of the contested registration. That is not exactly what the Hearing Officer did. However, the approach to determination she ultimately adopted by the circuitous route identified in the Decision under appeal was for practical purposes close enough to the correct test to lead to a proper determination of the case at hand.

13. Paras [27] to [36] of the Hearing Officer's Decision contain a comprehensive and accurate review of the evidence of use filed in defence of the contested registration. The trade mark is not registered with any limitations as to size. I am satisfied that the instances of use shown pictorially in the Proprietors' evidence included use of the protected trade mark without material deviations from the form in which it was registered.
14. The use in question was found to be quantitatively and qualitatively sufficient to justify retention of the contested registration on the following basis:

“37. Although the evidence is sufficient to establish that there have been some sales of the proprietors' goods in the UK in the relevant periods, the relevant test is whether the use shown is sufficient to qualify as genuine. As indicated in the case law cited above, use does not need to be quantitatively significant in order to be genuine. The assessment must take into account a number of factors in order to ascertain whether there has been a real commercial exploitation of the mark which can be regarded as “warranted in the economic sector concerned to maintain or create a share in the market for the goods and services protected by the mark”.

38. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself: *New York SHK Jeans GmbH & Co KG v OHIM* T-415/09

39. There are some clear deficiencies in the evidence provided by the proprietors. There is a lack of evidence in relation to the distribution of marketing and advertising evidence. However, as noted above genuine use requires a global assessment of the evidence as a whole.

The evidence has demonstrated sales of the proprietors' goods to two companies in the UK. These companies are situated in the south-east and north-central regions of England respectively and are distant from one another. Whilst the use of the mark is not particularly widespread across the entirety of the UK, this is due to an exclusive agreement with Le Bon Vin formed in 2018 which established Le Bon Vin as the new and exclusive retailer of the proprietors' products. The figures in relation to the sales from the proprietors are far from overwhelming. Despite this, the sale of 6,468 bottles of gin during the first relevant period and 5,652 bottles of gin during the second relevant period, for a total of 7,362 bottles of gin from the proprietors to the UK retailers constitute a genuine attempt to create a market for its goods under their mark. While I note that the cost per bottle is low, the evidence indicates that this is due to a significant number of 'mini' 5cl bottles being sold which constitute a larger volume of sales despite the low sales figures. The sales are not simply attributable to a one-off sale but, instead, the proprietors have demonstrated a consistent and repeated pattern of sales to an exclusive retailer throughout the relevant periods. Taking into consideration the above, I am of the view that the proprietors have attempted to create and maintain a market for their goods under their mark. Therefore, I am satisfied that the proprietors have demonstrated genuine use of its mark during the relevant periods in the UK.

40. The evidence shows that the proprietors have used their mark in relation to London Dry Gin. Consequently, I consider that the proprietors have shown genuine use of all of the goods upon which they rely."

15. It can be seen that the Hearing Officer was alert to the existence of **"clear deficiencies"** and a **"lack of evidence"** along with the **"far from overwhelming"** sales figures identified in the Proprietors' case for genuine use of the registered mark. The Applicant contends that the shortcomings were altogether too significant and substantial to be overlooked or ignored and that the Hearing Officer's finding of genuine use was not, in fact, sustainable on the basis of the evidence and materials on file. In detailed written and oral submissions at the hearing before me it sought to establish that the Hearing Officer had taken what should have been seen as disparate pieces of evidence and assembled them into a case of genuine use by 'joining up the dots' without a sufficient basis for doing so.

16. The parties elected to proceed at first instance on the basis that the Registrar would determine the application for revocation on the basis of the papers on file without recourse to a hearing. The Applicant filed no evidence. In detailed written submissions filed on 27 September 2021 and 25 November 2021, it criticised the Proprietor’s evidence for inadequacy and lack of probative value. I can see from the Hearing Officer’s Decision that its submissions were taken into account.
17. The question for this Tribunal on appeal is whether it was open to the Hearing Officer on the evidence and materials before her to find that there had been genuine use of the protected trade mark. I have carefully considered the Applicant’s renewed attack on the adequacy and probative value of the Proprietors’ evidence. Its comments and criticisms are apposite and fair. They support the view that a finding of genuine use was not a foregone conclusion. However, they are not in the end sufficient to persuade me that the Hearing Officer’s assessment of the evidence resulted in a determination that was (in the well-known words of Lord Reed JSC in Henderson v Foxworth Investments Ltd [2014] UKSC 41 at para. [57]) “*rationaly insupportable*”. That, to my mind, is negated by the comprehensive and accurate review of the evidence in paras. [27] to [36] of the Decision under appeal and the tenability (I do not say inevitability) of the assessment I have quoted in para. [14] above.
18. I should add that it is not permissible for an appellate tribunal to re-take or reverse a decision at first instance on the basis that properly instructed decision takers might reasonably have differed as to what the outcome of the case should be: “... *an appeal court should not overturn findings of fact (including inferences drawn from findings of primary fact) unless compelled to do so: Fage UK Ltd v Chobani UK Ltd [2014] EWCA*

*Civ at [114]. Those observations have been approved and applied many times.” Ras Al Khaima Investment Authority v Azima [2021] EWCA Civ 349 at para. [66] (per Lewison, Asplin and Males L.JJ).*

19. The Appeal is dismissed for the reasons I have given. I approach the question of costs in the manner indicated in paras. [12] to [14] of my decision in AMARO GAYO COFFEE Trade Mark BL O/257/18 (25 April 2018). Having regard to what I consider to be the amount of effort and expenditure that is likely to have been reasonably and productively incurred by the Proprietors in defending the Hearing Officer’s Decision, I think it would be reasonable to order the Applicant to pay £3,250. to the Proprietors in respect of their costs of the Appeal. That sum is payable in addition to the sum of £900. awarded by the Hearing Officer in respect of the Registry proceedings. It is to be paid within 21 days of the date of this Decision.

Geoffrey Hobbs QC

30 August 2022

Beth Collett instructed by Sipara Ltd appeared and provided further written submissions on behalf of the Applicant.

Jonathan Moss instructed by Serjeants LLP appeared and provided further written submissions on behalf of the Proprietors.